

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

JFS TRANSPORT INC., d/b/a COAST  
MOVERS,

Respondent.

In the Matter of Determining the Proper  
Carrier Classification of, and Complaint  
for Penalties Against:

JFS TRANSPORT INC., d/b/a COAST  
MOVERS

DOCKETS TV-180315 and  
TV-200861  
(Consolidated)

ORDER 06

APPROVING SETTLEMENT  
AGREEMENT

**BACKGROUND**

- 1 On December 1, 2020, the Washington Utilities and Transportation Commission (Commission) issued a Complaint for Penalties; Notice of Prehearing Conference (Notice) set for Tuesday, January 12, 2021, at 9:30 a.m. in Docket TV-200861.
- 2 That same day, the Commission electronically served the Complaint and Notice on JFS Transport Inc., d/b/a Coast Movers (JFS or Company). Additionally, Commission staff (Staff) filed a Motion to Impose Suspended Penalties in Docket TV-180315 and Motion to Consolidate Proceedings. In its motion, Staff explained that both the Complaint in Docket TV-200861 and the Motion to Impose Suspended Penalties in Docket TV-180315 arose from the same alleged violations, and that Staff thus requested that the matters be heard concurrently.

3 On January 12, 2021, the prehearing conference convened virtually as scheduled before  
Administrative Law Judge Samantha Doyle. Staff was the only party to appear at the  
hearing. Staff moved that JFS be held in default pursuant to RCW 34.05.440(2) and  
WAC 480-07-450(1).

4 The Commission granted Staff's motion, and additionally found that JFS operated as a  
household goods carrier without the required Commission-issued permit. The presiding  
officer also granted Staff's December 1, 2020, motion to consolidate Docket TV-200861  
with Docket TV-180315.

5 On January 22, 2021, the Commission issued Order 03, Consolidating Dockets;  
Prehearing Conference Order; Ordering Respondent to Cease and Desist; Default Order;  
Imposing Penalties (Order 04). Order 04 found that JFS committed the violations alleged  
in the Complaint, required JFS to pay a \$20,000 penalty for four violations of RCW  
81.80.075, and imposed the \$10,000 penalty suspended in Docket TV-180315. Finally,  
the Commission ordered JFS to cease and desist from future unauthorized operations.

6 On January 27, 2021, JFS filed with the Commission a Motion to Vacate Default Order.  
On February 10, 2021, the Commission entered Order 05, Vacating Default Order;  
Reopening Proceeding for Further Process (Order 05).

7 Order 05 instructed Staff to take one of the following actions:

- File with the Commission a settlement agreement that resolves all of the issues in  
this proceeding;
- File with the Commission a stipulated initial order agreed to and signed by the  
parties for the presiding officer's approval and signature;
- File with the Commission a letter providing a status update of the parties'  
negotiations; or
- File with the Commission a letter recommending the matter be set for hearing.

8 On April 07, 2021, Staff filed a settlement agreement on behalf of the parties  
(Settlement).

9 As stated in the Joint Narrative in Support of the Settlement Agreement, the Company  
has filed its annual report for 2019, paid its annual fee, and applied for reinstatement of  
its permit.

- 10 As part of the Settlement, the parties agree that the Commission should impose a \$5,000 portion of the penalty suspended in Docket TV-180315. That amount would become due upon the Commission's approval of the Settlement. The parties further agree that the remaining \$5,000 of the penalty suspended in Docket TV-180315 should continue to be suspended for another two years from the date of the order approving the Settlement, and then waived, subject to the condition that JFS does not commit repeat violations during the suspension period.
- 11 Further, the parties agree that the Commission should impose a total penalty of \$20,000 for the violations alleged in Staff's complaint in Docket TV-200861. The parties agree that the Commission should require the Company to pay a \$1,000 portion of the penalty, and that the remaining \$19,000 portion of the penalty should be suspended for a period of two years, and then waived, subject to the condition that JFS does not commit repeat violations during the suspension period.
- 12 Finally, the parties agree that the Company should pay the penalty according to the terms of a mutually agreeable payment plan. The parties propose that the \$6,000 balance will be paid in 30 consecutive monthly installments of \$200, the first of which will be due on the first day of the first calendar month following the month in which the Commission enters this Order, or May 1.
- 13 Jeff Roberson, Assistant Attorney General, Lacey, Washington, represents Staff.<sup>1</sup> Jonathon Sheridan, Gig Harbor, Washington, represents the Company *pro se*.

### **DISCUSSION AND DECISION**

- 14 WAC 480-07-750(1) states in part: "The commission will approve settlements when doing so is lawful, the settlement terms are supported by an appropriate record, and when the result is consistent with the public interest in light of all the information available to

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<sup>1</sup> In formal proceedings such as this, the Commission's regulatory staff participates like any other party, while the Commissioners or an administrative law judge makes the decision. To assure fairness, the Commissioners, the presiding administrative law judge, and the Commissioners' policy and accounting advisors do not discuss the merits of this proceeding with the regulatory staff, or any other party, without giving notice and opportunity for all parties to participate. *See* RCW 34.05.455.

the commission.” Thus, the Commission considers the individual components of the Settlement Agreement under a three-part inquiry, asking:

- Whether any aspect of the proposal is contrary to law.
- Whether any aspect of the proposal offends public policy.
- Whether the evidence supports the proposed elements of the Settlement.
- Agreement as a reasonable resolution of the issue(s) at hand.

15 The Commission must determine one of three possible results:

- Approve the proposed settlement without condition.
- Approve the proposed settlement subject to conditions.
- Reject the proposed settlement.

We approve the Settlement without condition. While the Company does not explicitly admit to the violations set out in the Complaint, JFS has applied to reinstate its household goods permit, reinstated its insurance, filed its 2019 annual report, and paid its regulatory fee, each of which cures the underlying violations that gave rise to the Complaint. In any enforcement proceeding, the Commission’s ultimate goal is compliance. Here, that objective has been achieved.

16 We find that the \$30,000 penalty, a \$24,000 portion of which is suspended for two years subject to the condition the Company does not commit repeat violations, is reasonable, both in terms of the \$6,000 penalty the Company must pay according to the terms of the installment plan agreed to in the Settlement, and in terms of the substantial suspended amount it must pay if it fails to comply with the Order. The suspended penalty amount is notable, particularly for a small company, and provides significant incentive for JFS to properly maintain its permit and avoid further violations.

17 Overall, we conclude that the terms of the Settlement are not contrary to law or public policy and reasonably resolve all issues in this proceeding. The Settlement supports the Commission’s goal of deterring illegal operations and permits the Company to pay a reduced penalty contingent on the Company not committing any repeat violations for two years, which provides an incentive for ongoing compliance. Given these factors, we find the Settlement is consistent with the public interest and should be approved as filed.

### FINDINGS AND CONCLUSIONS

- 18 (1) The Commission is an agency of the State of Washington, vested by statute with authority to regulate rates, rules, regulations, and practices of public service companies, including household goods companies, and has jurisdiction over the parties and subject matter of this proceeding.
- 19 (2) JFS is a household goods company subject to Commission regulation.
- 20 (3) The Settlement Agreement proposed by the Parties is not complex and is unopposed.
- 21 (4) A hearing is unnecessary in this case to assist the Commission in deciding whether to adopt the Settlement Agreement.
- 22 (5) The Settlement Agreement is not contrary to law or public policy and it reasonably resolves all issues in this proceeding.
- 23 (6) The Settlement Agreement is consistent with the public interest and should be approved as filed.
- 24 (7) The Commission should approve the Settlement Agreement without condition and order the penalty amount, conditions, and other terms as proposed by the Parties in the Settlement Agreement.

### ORDER

#### THE COMMISSION ORDERS That

- 25 (1) The Settlement Agreement is approved without condition, is attached as Exhibit A to, and incorporated into, this Order, and is adopted as the final resolution of all issues in this proceeding.
- 26 (2) JFS Transport, Inc., d/b/a Coast Movers, is classified as a common carrier of household goods within the state of Washington.

- 27 (3) The Commission imposes a \$5,000 portion of the penalty suspended in Docket TV-180315 and suspends the remaining \$5,000 of the penalty for two years from the effective date of this Order, and then waives it, subject to the condition that JFS Transport Inc., d/b/a Coast Movers does not commit repeat violations during the suspension period.
- 28 (4) The Commission assesses a \$20,000 penalty against JFS Transport, Inc., d/b/a Coast Movers, for four violations of RCW 81.80.075(1) and 22 violations of WAC chapter 480-15 and Tariff 15-C, and suspends a \$19,000 portion of the total penalty amount for two years from the effective date of this Order, and waives it thereafter, subject to the following conditions:
- JFS Transport, Inc., d/b/a Coast Movers, must not incur any repeat violations of state law, Commission orders, rules, or Tariff 15-C during that two-year period; and,
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  - JFS Transport, Inc., d/b/a Coast Movers, must timely pay all monthly installments of the \$6,000 penalty.
- 29 (5) The Commission approves the Parties' proposed payment plan for the \$6,000 portion of the penalty. JFS Transport, Inc., d/b/a Coast Movers, is required to make 30 consecutive monthly installments of \$200, each of which is due and payable no later than the first day of each month, beginning the first month after the effective date of this Order. JFS Transport, Inc., d/b/a Coast Movers, may make payments in advance of the due date to discharge its payment obligation. Any prepayment of the penalty amount will be credited to the last date an installment is due. If JFS Transport, Inc., d/b/a Coast Movers, fails to pay any installment by the due date, the entire remaining balance of payments, including the entire suspended portion of the penalty amount, will become immediately due and payable without further Commission order.
- 30 (6) The Commission retains jurisdiction over the subject matter and the parties to this proceeding to effectuate the terms of this Order.

DATED at Lacey, Washington, and effective April 30, 2021.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

*/s/ Samantha Doyle*  
SAMANTHA DOYLE  
Administrative Law Judge

### NOTICE TO PARTIES

This is an initial order. The action proposed in this initial order is not yet effective. If you disagree with this initial order and want the Commission to consider your comments, you must take specific action within the time limits outlined below. If you agree with this initial order, and you would like the order to become final before the time limits expire, you may send a letter to the Commission, waiving your right to petition for administrative review.

**WAC 480-07-450(2) states that a party held in default has 10 days after service of a default order to file a written motion requesting the order be vacated and the proceeding reopened for further process. The party held in default must state the grounds relied upon, including its reasons for failing to appear.**

WAC 480-07-825(2)(a) provides that any party to this proceeding has 20 days after the entry of this initial order to file a petition for administrative review (Petition). Section (2)(b) of the rule identifies what you must include in any Petition as well as other requirements for a Petition. WAC 480-07-825(2)(c) states that any party may file an answer (Answer) to a Petition within 10 days after service of the petition.

**A party held in default must file a written motion requesting the order be vacated pursuant to WAC 480-07-450(2) within 10 days after service in order to have the Commission consider a Petition for Administrative Review from that party.**

WAC 480-07-830 provides that before the Commission enters a final order any party may file a petition to reopen a contested proceeding to permit receipt of evidence essential to a decision, but unavailable and not reasonably discoverable at the time of hearing, or for other good and sufficient cause. The Commission will not accept answers to a petition to reopen unless the Commission requests answers by written notice.

RCW 80.01.060(3) provides that an initial order will become final without further Commission action if no party seeks administrative review of the initial order and if the Commission fails to exercise administrative review on its own motion.

Any Petition or Response must be electronically filed through the Commission's web portal as required by WAC 480-07-140(5).